



REMUNERATION
REPORT 2021

OHV SE

REMUNERATION REPORT OF OH B SE FOR THE YEAR UNDER REVIEW 2021

1	REMUNERATION SYSTEM FOR THE MEMBERS OF THE EXECUTIVE BOARD	3
	1.1 Compensation of the members of the Executive Board	4
	1.2 Compensation components	4
	1.2.1 Fixed compensation	4
	1.2.2 Performance-related remuneration	5
	1.2.3 Other remuneration	6
	1.2.4 Target compensation	6
	1.2.5 Current total remuneration under the remuneration system	7
	1.3 Other commitments	8
2	REMUNERATION SYSTEM FOR MEMBERS OF THE SUPERVISORY BOARD	8
	2.1 Remuneration of Supervisory Board members in accordance with the Articles of Association	8
	2.2 Other payments in favour of Supervisory Board members	9
3	INFORMATION ON THE RELATIVE DEVELOPMENT OF THE REMUNERATION AND THE EARNINGS OF THE COMPANY	9

1 REMUNERATION SYSTEM FOR THE MEMBERS OF THE EXECUTIVE BOARD

The remuneration system for Executive Board members is determined by the Supervisory Board in accordance with § 87 para. 1 of the German Stock Corporation Act (AktG). The focus is on the appropriateness to the tasks and performance of the Executive Board members as well as to the situation and the orientation towards a sustainable and long-term development of the company. As a result the compensation paid to the members of the Executive Board contributes to the implementation of the Company's business strategy and its growth.

OHB SE's Strategy 2025 is geared to continuous growth and an increase in total revenues. The resulting focus is on broadening the range of products within the Group, leveraging intra-Group synergies, enhancing economic performance and developing the Group's culture and employees.

The remuneration of the Executive Board primarily follows the principle of pay for performance. The latter is reflected in Marco R. Fuchs and Dr Lutz Bertling in the form of an exclusive profit-sharing scheme. In the case of Klaus Hofmann and Kurt Melching, the direct profit-sharing is regularly supplemented by variable remuneration components that are linked to the achievement of individual targets or the fulfilment of specific company ratios. This ensures that the remuneration system, including its performance criteria, is consistently aligned with shareholder interests and/or the interests of other stakeholders as well as the long-term development of the company.

A regular procedural principle in determining Executive Board remuneration is the constant validity of the agreed components over the entire individual term of appointment without further review/adjustment. The Supervisory Board bases its determination on the customary and market-comparable nature of the agreed terms.

The remuneration of the Executive Board is subject to a system which complies with the requirements of the Act on the Implementation of the second Shareholders' Rights Directive (ARUG II) and the recommendations and suggestions of the German Corporate Governance Code. The basic contents of the remuneration system are summarised in the following table.

Remuneration components	Fixed and variable remuneration, potentially equity based components
Variable remuneration	A combination of monetary corporate goals and/or individual targets
Stock holding rules	Accumulation period minimum 2 years Holding period minimum 2 years after allocation

The annual preparation of the remuneration report in accordance with § 162 AktG is the responsibility of the Executive Board and the Supervisory Board. The compensation report and the auditor's report on the formal audit performed are available on [OHB SE's website](#). Information on the current compensation systems is also available on the website.

1.1 Remuneration of the Executive Board members

Up to 31 December 2021, the Executive Board consisted of four Executive Board members. By resolution of the Supervisory Board on 26 May 2021, the appointment of Marco R. Fuchs (CEO) was extended for another three years as a member of the Executive Board until 30 June 2024. Klaus Hofmann (CHRO) was further appointed as a member of the Executive Board until 31 October 2023 by resolution of the Supervisory Board on 20 September 2018. Kurt Melching (CFO) was further appointed as a member of the Executive Board until 31 March 2023 by Supervisory Board resolution of 5 March 2018. In accordance with a Supervisory Board resolution of 17 December 2021, the appointment of Dr Lutz Bertling (CSDO) as a member of the Executive Board was extended until 31 December 2023.

Pursuant to a Supervisory Board resolution of 17 December 2021, Daniela Schmidt was appointed as Chief Integrity & Sustainability Officer (CISO) for the period from 1 January 2022 to 31 December 2024 and the Executive Board was expanded to five members.

1.2 Remuneration components

The remuneration of the members of the Executive Board is generally composed of non-performance-related and performance-related components.

For the remuneration components explained and presented in more detail below, the underlying obligations due were used. Remuneration is considered to have been granted if the activity on which the remuneration is based (one or more years) has been performed in full in the financial year (Interpretation 2 according to IDW).

1.2.1 Fixed, non-performance-related remuneration

The non-performance-related remuneration includes the basic annual salary (fixed salary) and fringe benefits. The basic annual salary is paid in twelve equal monthly instalments. The fringe benefits mainly consist of allowances for health insurance and statutory pensions as well as private use of a mobile phone. Furthermore, insurance policies have been taken out for the benefit of the members of the Executive Board at the company's expense: on the one hand, a financial loss insurance policy with a liability limit of EUR 5,000 thousand per year and, on the other hand, an accident insurance policy. The insurance benefits of the accident insurance amount to EUR 125 thousand for death, EUR 250 thousand for disability as a basic sum, and up to EUR 875 thousand in the case of full disability.

In addition, the Executive Board member Kurt Melching receives an annual allowance for retirement benefits through endowment insurance in the amount of EUR 10 thousand. This does not result in an obligation to pay a pension.

Travel and other costs as well as other out-of-pocket expenses incurred in the interest of the company are reimbursed to the members of the Executive Board against tax-recognisable receipts in accordance with the applicable standard corporate regulations.

1.2.2 Performance-related remuneration

The performance-related remuneration is a short- or medium-term oriented variable remuneration. Short-term variable remuneration is used to incentivise the contribution made in the financial year to the operational implementation of the corporate strategy. In addition to financial performance criteria, the focus was also placed on non-financial performance criteria, in particular on the targeted generation change in the 2021 financial year. The short-term variable remuneration is paid out annually.

The share-based remuneration component, on the other hand, has a medium-term incentive effect. The shares allocated by way of performance-based remuneration may not be sold until two years after the respective allocation. In the event of dismissal or revocation of the appointment before the expiry of the agreed contractual term of the service agreement with the Executive Board member, the shares allocated for the year of the contractual term must be retransferred pro rata temporis by the Executive Board member to the company. Alternatively, repayment shall be made in euros. A share-based remuneration component with a medium-term incentive effect existed only for Dr Lutz Bertling in the reporting year 2021. He received 12,500 shares in the current year.

In the 2021 financial year, the performance criteria shown in the following table were used as the basis for the performance-based remuneration:

	Goals	Target	Achievement
Financial Measure	EBT OHB SE	40 million €	41.6 million €
	Net Leverage OHB System AG	3	< 3
	EBIT OHB System AG	36.7 million €	> 36.7 million €
Non-financial Measure	Generation change - sustainability	Conception & roll-out of NextGen Development-Programme	Achieved
	Generation change - sustainability	New appointments to upper management roles	Achieved
	Generation change - sustainability	Establishing career paths for expert roles	Achieved
	Generation change - Diversity	Increase the female number in Upper Management roles	Achieved

The performance-related compensation for Marco R. Fuchs and Dr Lutz Bertling exclusively amounts to 1.5 % of EBT as reported in OHB SE's consolidated financial statements. In the case of Klaus Hofmann, the performance-related compensation comprises two equally weighted components: on the one hand, a percentage share in profits (0.2 % of EBT as reported in OHB SE's consolidated financial statements) and, on the other, the degree of target achievement for non-financial performance criteria. Kurt Melching's performance-related compensation is based on an equal weighting of the degree of achievement of the financial performance criteria net leverage and EBIT of OHB System AG's IFRS earnings.

Based on the aforementioned performance criteria, the expected target achievement for the individual Executive Board members is as follows:

	Anticipated achievement in the current financial year
Marco R. Fuchs	103,9%
Klaus Hofmann	102,0%
Dr Lutz Bertling	103,9%
Kurt Melching	100,0%

1.2.3 Other remuneration

Marco R. Fuchs and Dr Lutz Bertling also receive compensation for their work on the Board of Directors of OHB Italia S.p.A., Milan, Italy, and Marco R. Fuchs as Chairman of the Supervisory Board for MT Aerospace AG, Augsburg.

1.2.4 Target compensation

Based on the performance criteria as well as the expected target achievement of the individual members of the Executive Board, the following individual compensation is expected for fiscal year 2021:

	Marco R. Fuchs	Klaus Hofmann	Dr Lutz Bertling	Kurt Melching	Total
Base fixed remuneration	320,000.04 €	290,000.04 €	320,000.04 €	219,999.96 €	1,150,000.08 €
Fringe benefits	4,614.96 €	4,160.16 €	5,122.92 €	5,122.92 €	19,020.96 €
Short-term oriented variable remuneration	623,445.00 €	163,126.00 €	623,445.00 €	100,000.00 €	1,510,016.00 €
Medium-term oriented variable remuneration	- €	- €	434,375.00 €	- €	434,375.00 €
Pension provisions	9,666.08 €	7,923.60 €	7,923.60 €	10,000.00 €	35,513.28 €
Total	957,726.08 €	465,209.80 €	1,390,866.56 €	335,122.88 €	3,148,925.32 €

1.2.5 Current total remuneration under the remuneration system

The following table shows the remuneration obligations due to each individual member of the Executive Board, the relative share of variable remuneration in relation to total remuneration, the relative share of fixed remuneration in relation to total remuneration and the changes compared to the previous year. A comparison with the maximum remuneration according to § 87a para. 1 no. 1 AktG is not made, as this will only be determined at the next Annual General Meeting.

Name	Year	Fixed compensation components						Performance Related Components		Total compensation	Share of variable income to total compensation	Share of fixed income to total compensation	Change versus previous year
		Monthly Salary	Annual Salary	Pension provision	Health Insurance	Direct Insurance cover	Other remuneration	Bonus	Share Participation				
Marco R. Fuchs	2020	26,666.67 €	320,000.04 €	7,254.00 €	4,415.64 €	1,742.48 €	40,635.76 €	447,250.00 €	- €	821,297.92 €	54%	46%	
Marco R. Fuchs	2021	26,666.67 €	320,000.04 €	7,923.60 €	4,614.96 €	1,742.48 €	32,065.18 €	623,445.00 €	- €	989,791.26 €	63%	37%	20,5%
Klaus Hofmann	2020	24,166.67 €	290,000.04 €	7,254.00 €	4,415.64 €	- €	- €	154,000.00 €	- €	455,669.68 €	34%	66%	
Klaus Hofmann	2021	24,166.67 €	290,000.04 €	7,923.60 €	4,160.16 €	- €	- €	163,126.00 €	- €	465,209.80 €	35%	65%	2,1%
Dr Lutz Bertling	2020	26,666.67 €	320,000.04 €	7,254.00 €	4,303.20 €	- €	16,935.59 €	447,250.00 €	497,500.00 €	1,293,242.83 €	73%	27%	
Dr Lutz Bertling	2021	26,666.67 €	320,000.04 €	7,923.60 €	5,122.92 €	- €	17,065.18 €	623,445.00 €	434,375.00 €	1,407,931.74 €	75%	25%	8,9%
Kurt Melching	2020	18,333.33 €	219,999.96 €	- €	4,215.96 €	10,000.00 €	- €	100,000.00 €	- €	334,215.92 €	30%	70%	
Kurt Melching	2021	18,333.33 €	219,999.96 €	- €	5,122.92 €	10,000.00 €	- €	100,000.00 €	- €	335,122.88 €	30%	70%	0,3%

Other remuneration relates to payments from subsidiaries for work on the Board of Directors or Supervisory Board (see item 1.2.3.).

1.3 Other commitments

In the event of the death of a member of the Executive Board, surviving dependants are entitled to continued payment of the non-performance-related remuneration of the deceased for up to six months.

2 REMUNERATION SYSTEM FOR MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board appoints, monitors and advises the Executive Board and is directly involved in decisions of fundamental importance to the company. The Supervisory Board performs its duties in accordance with the legal provisions, the Articles of Association, the Rules of Procedure for the Supervisory Board and its resolutions. In accordance with the Articles of Association, it consists of four members. Resolutions of the Supervisory Board are passed primarily at Supervisory Board meetings, but also in writing or by other means of communication.

The compensation paid to the Supervisory Board is designed to reflect the independence of the Supervisory Board required for its supervisory duties. Until 2020, OHB SE's Supervisory Board compensation consisted solely of fixed compensation components of EUR 20 thousand. The Chairman of the Supervisory Board received EUR 30 thousand and the Deputy Chairman EUR 25 thousand.

By resolution of the annual general meeting on May 26, 2021, Section 13 of OHB SE's bylaws entitled „Remuneration of Supervisory Board members“ was amended. Accordingly, each member of the Supervisory Board receives fixed annual compensation of EUR 20 thousand in addition to reimbursement of his or her expenses for his or her work. The Chairman of the Supervisory Board receives two-and-a-half times this amount and the Deputy Chairman one-and-a-half times this amount. The fixed remuneration is payable after the end of the general meeting that decides on the discharge for the previous financial year.

In addition, each member of a committee receives an annual remuneration of EUR 5 thousand. The chairperson of the committee receives three times this amount. No remuneration is paid for membership of committees that have not met in the financial year. All committee remuneration is payable after the end of the Annual General Meeting that decides on the discharge for the previous financial year.

Supervisory Board members who have not belonged to the Supervisory Board or a committee for a full financial year shall receive the remuneration pro rata temporis according to the duration of their Supervisory Board or committee membership.

The Company shall reimburse each member of the Supervisory Board for the value added tax payable on his or her remuneration and expenses.

The above provisions will apply for the first time to the entire fiscal year 2021 and will remain in force until they are redefined by the annual general meeting in accordance with Section 13 of OHB SE's Articles of Incorporation.

The amendment to the Articles of Incorporation will take effect upon entry in the commercial register. The amendment to the Articles of Association was entered in the commercial register on 8 June 2021.

2.1 Remuneration of the members of the Supervisory Board in accordance with the Articles of Incorporation

In accordance with the pro rata temporis application of the new remuneration system, the Supervisory Board members are expected to receive the following remuneration for the 2021 financial year.

Robert Wethmar (Chairman of the Supervisory Board)	EUR 70 thousand
Prof. Heinz Stoewer (Deputy Chairman of the Supervisory Board)	EUR 36 thousand
Christa Fuchs	EUR 26 thousand
Ingo Kramer	EUR 31 thousand

2.2 Other payments in favour of Supervisory Board members

Ms. Christa Fuchs received surviving dependents' benefits of EUR 22 thousand from OHB System AG for the Executive Board member Prof. Manfred Fuchs, who died in 2014.

Under a master agreement with the law firm Taylor Wessing, of which Robert Wethmar is a partner, fees of around EUR 566 thousand were paid in connection with consulting services for Group companies in the past fiscal year.

3 DISCLOSURES ON THE RELATIVE DEVELOPMENT OF REMUNERATION AS WELL AS THE COMPANY'S EARNINGS

The following table shows the relative development of the remuneration of the members of the Executive Board, the Supervisory Board, the other employees and the development of the company: The latter based on the company's revenue. The focus on the company's turnover is justified by the constant nature of this key figure in the ratio of the company's income to the number of employees in the Group. Other earnings ratios are volatile and dependent on annual events in the individual subsidiaries and therefore do not provide a meaningful means of comparison over the years.

The average compensation paid to full-time equivalent employees is based on the total number of employees of OHB SE.

	Anticipated Change 2021 to 2020
Executive Board	
Marco R. Fuchs	20,5%
Klaus Hofmann	2,1%
Dr Lutz Bertling	8,9%
Kurt Melching	0,3%
Supervisory Board	
Robert Wethmar	132,1%
Prof. Heinz Stoewer	42,4%
Christa Fuchs	28,1%
Ingo Kramer	56,1%
Key Earnings Figure	
Revenues	16,4%
Average remuneration on a full-time equivalent basis of staff members	
Staff OHB SE	1%

The total remuneration of the Chairman of the Executive Board Marco R. Fuchs and Executive Board member Dr Lutz Bertling increased in 2021 compared to 2020. This is explained by the lower consolidated EBT of EUR 29,817 thousand in 2020 compared with previous years. The latter resulted from the new credit facility agreement with OHB SE's syndicate banks and the associated charges, which had a reducing effect on the remuneration components linked to EBT. Accordingly, a trend link to previous years of EBT 2021 with a value of EUR 41,563 thousand has an increasing effect on EBT-dependent remuneration components.

In recent years, the duties of Supervisory Board members and the requirements for the competence profile of Supervisory Board members have increased significantly due to various legal requirements. For example, according to the Act Implementing the Second Shareholders' Rights Directive (ARUG II), which came into force on 1 January 2020, the Supervisory Board is also responsible for preparing the remuneration report in addition to the executive board, which has increased depth of information and importance due to changed requirements. In addition, the Supervisory Board is responsible for conceptualising the remuneration system of the Executive Board and must work out a remuneration system for the Supervisory Board together with this body. The requirements for the professional qualifications of Supervisory Board members have increased significantly due to the Financial Market Integrity Strengthening Act (Finanzmarktintegritätsstärkungsgesetz), which partially came into force on 1 July 2021. In future, this body must be staffed with at least one member who has expertise in the field of accounting. In addition, at least one further member must have expertise in the field of auditing. The requirements for the preparation of the non-financial group statement will also intensify in the future due to increased content requirements, so that the audit duty incumbent on the Supervisory Board for this document will be associated with an increased workload. Due to the aforementioned developments, an increase in Supervisory Board remuneration, which had been unchanged since the 2014 financial year, was now urgently required. Especially against the background of the increased competence profile, remuneration in line with the market is a minimum criterion in order to be able to attract suitable candidates for this supervisory body in the future.

Bremen, March 22, 2022

For the Executive Board

For the Supervisory Board

Marco R. Fuchs
Chairman of the Executive Board

Klaus Hofmann
Chief Human Resources Officer

Robert Wethmar
Chairman of the Supervisory Board